Arrears Management Policy

(Mid- Market Rent)

Policy Manual Section:	Water Row Company
Policy Number:	WR16
Date Approved by Govan Housing Group Board	May 2024
Next Review Date:	May 2027

The Water Row Company can provide this document on request, in different languages and formats, including Braille and audio formats.

1. Purpose of Policy

1.1 The Water Row Company manages the Govan Housing Group's homes for mid-market rent and offers a high-quality service. The Water Row Company is a subsidiary of the Govan Housing Group.

1.2 Mid-market rent is a tenure aimed at providing quality, affordable rented homes for people on low to moderate incomes. Mid-market rent is designed to help people who have difficulty accessing social rented housing, buying their own home or renting privately.

Tenants generally pay a lower rent than market rent level, but more than local social housing tenants. The rent levels are set at a point between those for similar home for social rent and private market rent.

1.3 Our homes for mid-market rent offer high quality, safe and accessible living that is sustainable, energy efficient and easily maintained.

1.4 The purpose of this policy is to outline the approach of The Water Row Company in terms of its responsibility to prevent, manage and recover arrears through effective policy and practice.

1.5 The effective management of arrears is a crucial element of financial control. The Water Row Company will act at all times to maximise its income, prevent tenants from building up rent arrears and take fair, firm and effective action to recover arrears when they occur.

2 Policy Aims & Objectives

2.1 The aim of the Arrears Management Policy (Mid-Market Rent) is to manage our residential income effectively so that The Water Row Company is a financially viable and sustainable organization

2.2 We will use Direct Debit as a convenient and cost-effective payment method for customers. When a tenant is in arrears and requests to do so, we will agree to an alternative payment method.

2.3 The Water Row Company objectives are to tackle rent arrears in a manner that:

- Complies with legislation;
- Complies with the tenancy agreement;
- Is fair, firm and effective;
- Focuses on prevention of rent arrears and prompt intervention where arrears arise;
- Makes tenants aware of the consequences of not complying with their responsibilities and obligations to pay the charges due;
- Undertakes continuous monitoring of all mid-market rent accounts and responds promptly to missed payments;
- Makes appropriate and realistic repayment arrangements with tenants in arrears and ensures that these arrangements are monitored and escalated appropriately if repayments are not maintained;
- Offers Money Advice/Welfare Benefits Services to assist tenants to maximise their income and sustain their tenancy;
- Takes legal action when all other measures have failed.

2.4 For tenants who are experiencing genuine payment difficulties, we are committed to providing appropriate advice and assistance to help them get their payments back on track

2.5 The detailed procedures for managing arrears are set out separately within our Mid Market Rent Arrears Procedure. Late / missed payment fees will apply.

3 Communication

3.1 At the start of the tenancy agreement, tenants are asked to confirm their preferred method of communication. This can include all communication including notices being sent in the post or by e-mail,

3.2 We have internal systems in place which allows for communication to be sent to tenants via their preferred choice.

3.3 If a tenant agrees to receive notices by email, this could include important messages. For example, informing the tenant of a rent increase or that the tenancy is being brought to an end.

3.4 It remains the tenant's responsibility to notify The Water Row Company of any changes to their e-mail address if communication via e-mail is the tenant's preferred choice. If a tenant does not inform us of a change of email address, they might miss an important email such as a Notice to Leave.

3.5 When managing arrears, if appropriate responses are not received from the tenant via their preferred choice of communication, then The Water Row Company will also attempt to engage communication in various alternative methods including letter, e-mail, text message, home visit during or out with office hours, contacting next of kin or employer.

4 Pre-Action Protocols

4.1 The Water Row Company is fully compliant with the requirements of the Coronavirus (Recovery and Reform) (Scotland) Act**,** which came into force on 1 October 2022.

4.2 The Water Row Company meets the pre-action protocols of a landlord and will:

Provide the tenant with clear information (which can be by writing or email) relating to:

- the terms of the tenancy agreement;
- the amount of rent for which the tenant is in arrears;
- the tenant's rights in relation to proceedings for possession of a house (including the pre-action protocols set out in this regulation and the need for an order to be granted by a tribunal) this document can be viewed at **appendix 1** of this policy;
- how the tenant may access information and advice on financial support and debt management.

Make reasonable efforts to agree a reasonable plan with the tenant to make payments to the landlord of:

- future payments of rent;
- the rent for which the tenant is in arrears.

Give reasonable consideration to:

- any steps being taken by the tenant which may affect the ability of the tenant to make payment to the landlord of the rent for which the tenant is in arrears within a reasonable time;
- the extent to which the tenant has complied with the terms of any agreed plan;
- any changes to the tenant's circumstances which are likely to impact on the extent to which the tenant complies with the terms of an agreed plan.

4.3 For avoidance of doubt, where the landlord is seeking repossession on grounds that do not include rent arrears, the pre-action protocols and this guidance do not apply.

4.4 All steps taken by The Water Row Company to engage with, support and assist tenants who fall into rent arrears will be clearly documented on our internal systems in place.

5 Notice to Leave

5.1 In circumstances where rent arrears have continued to remain outstanding over a period of three months and all pre-action requirements have been completed, The Water Row Company can serve the tenant with a notice to leave (NTL) under ground 12 (rent arrears) of the Private Housing (Tenancies) (Scotland) Act 2016. For example, if the tenant doesn't pay their rent due on 1 January in full, a NTL can be served on the rent arrears ground on 1 April if some rent has been outstanding throughout the three month period 1 January to 1 April.

5.2 The notice period for all grounds is 28 days if the tenant has been entitled to occupy the property for 6 months or less. If the tenant has been entitled to occupy the property for more than 6 months then the notice period remains at 28 days under ground 12 for rent arrears. A rent statement will be included with the notice.

5.3 If the notice is being delivered by email or recorded delivery (dependent on the tenant's preferred method of communication selected at the start of the tenancy) then 48 hours will be added to the notice period for delivery time. The notice will specify the day after the end of the notice period in part 4. This will be day 31 for methods of delivery requiring 48 hours delivery time. For hand delivered notices or issued using sheriff officers then it will be day 29.

5.4 If the tenant vacates the property during the notice to leave period then The Water Row Company will repossess the property when the notice period ends. If the tenant does not leave the property when asked to on the notice(s), then we will apply to the First-tier Tribunal for Scotland (Housing & Property Chamber) (FTT) to have the tenant evicted. Legal fees will be recovered following the completion of an action raised at the First Tier Tribunal. Details of the amount of expenses awarded by the First Tier Tribunal will be contained in the Decree and added to the tenant's account for collection.

6 Notification to Local Authority

6.1 If the tenant does not leave the property on the end date specified on the notice, we will begin to seek to end the tenancy via the Tribunal. Prior to submitting any application to the FTT, we will issue a Section 11 Notification to Glasgow City Council, to advise the local authority of our intention to raise proceedings in relation to eviction. This is a legal requirement under the Homelessness etc. (Scotland) Act 2003

6.2 This is included as **appendix 2** at the end of this policy

7 Recovering Debt

7.1 When the Water Row Company is owed money by a tenant for rent arrears or damages and the tenancy has ended, we will make a claim to take deductions from the tenant's deposit to recover the sums due (detailed separately within the Deposit Handling Policy).

7.2 If there is no deposit, the deposit is insufficient to cover the sums due or the tenancy hasn't yet ended, we will apply to the First-tier Tribunal for Scotland Housing & Property Chamber for a payment order. Once a payment order has been obtained we will use sheriff officers to try to enforce the debt.

7.3 The Water Row Company will make every attempt to come to an arrangement with the former tenant before pursuing legal action or referring debt to a Debt Collection Agency

7.4 The detailed procedures for managing debt owed / former tenant arrears are set out separately within our Mid Market Rent Debt Recovery Procedure.

8 Other Related Guidance, Policies and Documentation

8.1 This Policy takes account of related legislation, guidance and policies including:

- The Private Housing (Tenancies) (Scotland) Act 2016
- Tenancy Deposit Schemes (Scotland) Regulations 2011
- The First-tier Tribunal for Scotland (Housing and Property Chamber) (formerly the Private Rented Housing Panel)
- Coronavirus (Recovery and Reform) (Scotland) Act 2022
- Homelessness etc. (Scotland) Act 2003
- The Water Row Company Deposit Handling Policy

9 Policy Review

9.1 This Policy is scheduled for review every three years.

This policy may only be changed or varied with the specific authority of The Water Row Company Board. More regular reviews will be considered where, for example, there is a need to respond to new legislation or policy guidance. Reviews will consider legislation, performance standards and good practice.

9.2 We will publish this policy on our website. A hard copy is available on request. Customers can also get a copy of the policy on tape, in Braille, in large print or in translation on request.

10 Contact Us

10.1 If you have any questions about this policy, you can contact us in the following ways;

- Telephone: 0141 440 0308
- Email: lettings@waterrow.co.uk
- In writing: The Water Row Company, 246 Edmiston Drive Glasgow, G51 2YU
- Website: www.govanha.org.uk

Appendix 1

Tenants' rights information

This **should be given to the tenant,** so that tenants know their rights, in relation to the Pre-Action Protocols (PAP) – a process which landlords should go through with their tenant to help sustain the tenancy, so that the tenant can stay in the home, as far as possible. For this reason, this has also been appended to the First letter. The landlord can of course send out this extract again, if this would be helpful.

Shelter Scotland has a useful summary of Tenant's rights in the private sector.

Eviction Process

- If a tenant has received a notice to leave, they are not required to leave the property until an eviction order is granted by the First-tier Tribunal for Scotland (Housing and Property Chamber).

- If a landlord tries to physically or forcefully remove a tenant from their property without an eviction order, the landlord is committing a crime. If your landlord physically removes you from the property, or threatens to do so, or if they change the locks, you should report the matter to the police (by calling 101). If you are being physically threatened or forced out of your home by your landlord, call 999. A landlord may be liable to pay civil damages to a tenant if they evict them unlawfully.

- Landlords must notify the relevant local authority when they raise proceedings for possession of a tenant's home. This was introduced by Section 11(1) of the Homelessness etc. (Scotland) Act 2003 and came into force in 2009.

- The landlord must ensure that the tenant is aware of the process (which will depend on the type of tenancy: https://www.mygov.scot/private-tenant-eviction/)

Pre-Action Protocols (PAP) and the eviction process

1. Landlords must give tenants clear information.

   The provision by the landlord to the tenant of clear information relating to:

   (a) the terms of the tenancy agreement,

   (b) the amount of rent for which the tenant is in arrears,

   (c) the tenant's rights in relation to proceedings for possession of a house (including the pre-action protocols set out in this regulation), and;

   (d) how the tenant may access information and advice on financial support and debt management.

To provide clear information, the landlord, might (but is not restricted to) communicating with the tenant by letters, email, phone or text. As the landlord wants to ensure that the tenant access any financial help or support that is available, they may provide the tenant the relevant information more than once.

Access information and advice

If you can't pay your rent - mygov.scot will give tenants information that supports this action. Where landlords do not have the tenants' email, this should be printed and posted to the tenants. This information should be provided to tenants at the earliest opportunity and certainly before the landlord initiates any action to repossess the property.

2. Landlords should make reasonable efforts to agree with the tenant a reasonable plan to make payments.

   The making by the landlord of reasonable efforts to agree with the tenant a reasonable plan to make payments to the landlord of:

   (a) future payments of rent, and

   (b) the rent for which the tenant is in arrears.

The landlord should contact the tenant to work towards a reasonable plan to make payments.

3. Landlords should give reasonable consideration to the steps that the tenants have taken to address the arrears.

   The reasonable consideration by the landlord, includes —

   (a) any steps being taken by the tenant which may affect the ability of the tenant to make payment to the landlord of the rent for which the tenant is in arrears within a reasonable time,

   (b) the extent to which the tenant has complied with the terms of any plan agreed to, and

   (c) any changes to the tenant's circumstances which are likely to impact on the extent to which the tenant complies with the terms of an agreed plan

Any steps being taken by the tenant, could include:

- Landlords contacting tenants to discuss whether they are taking any steps that will help them to pay off any rent arrears;

- Consider all information the tenant provides on steps taken and any evidence of a claim for benefits, grants or lump sum payments. This should include consideration for any reasons for which tenants have not taken any steps which could affect their ability to make payments within a reasonable time;

- Assess whether any of the steps being taken by the tenant may mean they are able to reduce the arrears within a reasonable time.

Appendix 2

Homelessness etc (Scotland) Act 2003

Section 11

NOTICE BY LANDLORD OF PROCEEDINGS FOR POSSESSION

To: Glasgow City Council

Take note that proceedings have been raised as detailed below.

The Water Row Company
246 Edmiston Drive
Glasgow
G51 2YU

Name and address of landlord's legal representatives:

Contact telephone number of landlord:

Telephone: 0141 440 0308
E-mail – lettings@waterrow.co.uk

Landlord registration reference: 510555/260/24102

Name of tenant/s against whom proceedings have been raised:

Full postal address of property that is the subject of proceedings:

Start date of the tenancy:

Date of raising of proceedings:

Court in which proceedings raised:

The legislation under which proceedings are being notified: (Please tick the box below, which describes the proceedings you have raised)

(1)		section 12A(1) (notice to local authority of proceedings for possession of dwelling house let on protected tenancy or subject to statutory tenancy) of the Rent (Scotland) Act 1984 (c. 58) (tick this box if you have raised proceedings to recover possession of a dwellinghouse let on a protected tenancy or subject to a statutory tenancy).
(2)		section 19A(1) (notice to local authority of proceedings for possession of house let on assured tenancy) of the Housing (Scotland) Act 1988 (c. 43) (tick this box if you have raised proceedings to recover possession of a dwellinghouse let on an assured tenancy).
(3)		section 14(5A) (notice to local authority of proceedings for possession of house let on Scottish secure tenancy) of the Housing (Scotland) Act 2001 (asp 10) (tick this box if you have raised proceedings to recover possession of a dwellinghouse let on a Scottish secure tenancy).
(4)		section 36(6A) (notice to local authority of proceedings for possession of house let on short Scottish secure tenancy) of the Housing (Scotland) Act 2001 (asp 10) (tick this box if you have raised proceedings to recover possession of a dwellinghouse let on a short Scottish secure tenancy).
(4A)		section 56(1) (restriction on applying without notifying local authority) of the Private Housing (Tenancies) (Scotland) Act 2016 (asp 19) (tick this box if you have applied to the First-tier Tribunal for Scotland for an eviction order in relation to a property let on a private residential tenancy).
(5)		other proceedings for possession of a dwellinghouse, (tick this box if you have raised proceedings to recover possession of a dwellinghouse and none of the above boxes are appropriate. For these purposes a dwellinghouse is any building or part of a building, which is occupied or intended to be occupied as a separate dwelling, and in particular includes a flat).

Homelessness etc (Scotland) Act 2003

Section 11

NOTICE BY LANDLORD OF PROCEEDINGS FOR POSSESSION

Note to landlord

Various statutes require notice to be given to a local authority where a landlord has raised proceedings for possession of a house. This form lists in a table some of the legislation under which such proceedings might be raised for possession of a house. “Proceedings for possession” means any proceedings in which a decree of removing or warrant of ejection or other like order is sought.